



# Office of the Auditor of State

## *Suzanne Crouch*

## The CAFR

### What It Is

Although we have several departments within the Auditor's Office, your interaction with respect to the CAFR will be with the Finance Department. Below is contact information that might be useful to you.

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#### *Clay Jackson, CPA*

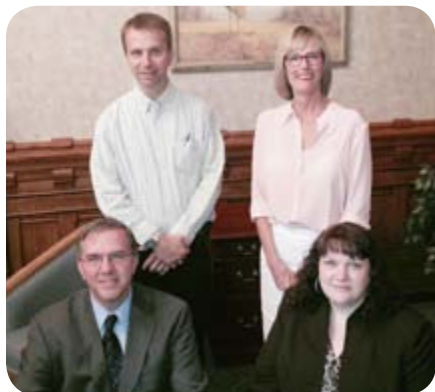
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**CAFR Contractor**



Back row: Steve Daniels, Suzanne Crouch  
Front row: Clay Jackson, Stacey Halvorsen

The Comprehensive Annual Financial Report (CAFR) is the State of Indiana's financial report for any given fiscal year, presenting the State's financial position and results of operations. The CAFR is prepared by the Auditor's Office and audited by the State Board of Accounts (SBOA).

In general, the CAFR is prepared and audited from July 1 through the middle of December each year with the goal of having it completed by Christmas. Beginning around January 1, time is spent reviewing and analyzing accounting information recorded in ENCOMPASS, the State's accounting system, to make necessary adjustments before the June 30th fiscal year end.

The CAFR consists of three sections: the Introductory Section; the Financial Section; and the Statistical Section. To see a previous version of the State's CAFR, visit the Auditor's Office's website at <http://www.in.gov/auditor/2370.htm>.

The Governmental Accounting Standards Board (GASB) establishes the standards that state and local governments must follow for their accounting and financial reporting. States cannot deviate from these standards for their financial statements to be in accordance with generally accepted accounting principles.

### Why It's Important

The State's CAFR is one of the main components used by the Nationally Recognized Statistical Rating Organizations to review and analyze Indiana's financial situation and assess our credit rating. The State's credit rating has a significant impact on how much money Indiana's component units with debt issuing authority (i.e. IFA) can borrow to finance projects. Borrowing costs tend to be lower when our credit rating is high and vice versa. Indiana is one of only nine states with the top bond rating from all three major credit rating agencies.

Academics also use the CAFR in their research and to further educational pursuits, and it is published for the citizens of the State of Indiana to demonstrate essential and effective financial stewardship, accountability and responsibility.

From 1993 through 2012, Indiana's CAFR was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA).

The 2012 CAFR was the 20th consecutive year that we received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for one year. We believe that our 2013 CAFR continues to meet the Certificate of Achievement Program's requirements, and we submitted it to the GFOA to determine its eligibility for another certificate.

### How You Can Help

State agencies play a vital role in the preparation of the CAFR by swiftly and correctly entering accounting information for their funds into ENCOMPASS. State agencies also provide vital information regarding various accruals and adjustments needed for the CAFR, such as the taxes receivable accrual and Medicaid accrual and adjustments.

The assistance and cooperation of state agencies in providing their information needed to prepare the State's CAFR is absolutely essential. It is also important that state agencies' accounting staff regularly review their accounting information in ENCOMPASS for accuracy so that adjusting entries can be made timely when needed. On the next page is a checklist of some of the items the Auditor's Office will be receiving from agencies and other organizations during the upcoming months.

If you have any questions related to the CAFR, please contact Clay Jackson, Finance Director.

Due Date Checklist

In order for the CAFR to be prepared in accordance with generally accepted accounting principles, various accruals and adjustments must be made to the reporting from ENCOMPASS. For some accruals and adjustments, the Auditor’s Office must obtain information from state agencies. Some accruals and adjustments for which information is provided by state agencies and their approximate due dates are as follows:

Department of Administration (DOA) work-in-progress (WIP)	July 30, 2014
Construction commitments notes – INDOT & DOA	July 30, 2014
INDOT infrastructure, Condition Rating, & Preservation Costs	July 31, 2014
Lottery accrual from Treasurer of State’s Office (ToS)	July 31, 2014
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Department of Revenue taxes receivable information	August 04, 2014
GASB-S49 Pollution Remediation Obligations – several agencies	August 13, 2014
Major Moves liability accrual from State Budget Agency (SBA)	August 18, 2014
Medicaid accruals and adjustments from FSSA – modified accrual	August 18, 2014
Tobacco Master Settlement Fund accrual from SBA	August 18, 2014
Internally Generated Computer Software WIP – many agencies	August 27, 2014
Non-tax revenue - modified accrual – many agencies	August 29, 2014
Securities lending accrual and adjustment – from ToS	August 29, 2014
OPEB accrual – from the SBA	August 29, 2014
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Grants receivable/deferred revenues – from many agencies	September 12, 2014
Investment entries to book value and fair value from ToS	September 26, 2014
Other loss contingencies report - all agencies	September 26, 2014
Department of Education intergovernmental payables	September 30, 2014
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OPEB actuarial valuation report and notes information – from the SBA	October 03, 2014
Medicaid accruals and adjustments from FSSA – full accrual	October 06, 2014
Attorney General’s Office’s litigation report	October 08, 2014
Non-tax revenue - full accrual – many agencies	October 22, 2014

The above list of accruals and adjustments needed from state agencies is not all inclusive. Additions or changes to the accruals and adjustments from year to year may increase information sought from state agencies.

State agencies and other organizations responsible for various funds also prepare and provide their financial statements, schedules and notes for such funds to the Auditor’s Office for inclusion in the CAFR. These agencies and organizations and their due dates are as follows:

State Armory Board – from Adjutant General’s Office	August 06, 2014
BMVC Excise Tax Fund (agency fund) – from BMV	August 15, 2014
Department of Insurance Fund (agency fund)	August 15, 2014
Department of Correction recreation, canteen and trust funds	August 15, 2014
FSSA recreation, canteen, and trust funds	August 15, 2014
Indiana Veterans Home recreation, canteen, and trust funds	August 15, 2014
Indiana Blind School recreation, canteen, and trust funds	August 15, 2014
Indiana Deaf School recreation, canteen, and trust funds	August 15, 2014
TrustIndiana – from ToS	August 29, 2014
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Internal service funds – from State Personnel Department, State Budget Agency, Indiana State Police, PEN Products, Indiana Office of Technology, Department of Administration	September 10, 2014
Unemployment Compensation Fund – from DWD	September 10, 2014
Wabash Memorial Bridge – from INDOT	September 10, 2014
Indiana Residual Malpractice Insurance Authority – from Dept. of Insurance	September 10, 2014
Indiana Public Retirement System	September 26, 2014
State Police Pension Fund and other State Police Funds	September 26, 2014
DNR Inns and Concessions	September 26, 2014
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Discretely presented component units – proprietary & governmental	October 17, 2014
Colleges and Universities including their foundations	October 24, 2014

Thank you to everyone who contributes information for Indiana’s CAFR! Your support helps us continue improving our economic climate, bringing more employers and jobs to our great state.